March 2002

Paul E. Patton, Governor

THE COMMONWEALTH GROWS

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Agricultural Development Board Investment Philosophy

The Kentucky Agricultural Development Board will invest the Kentucky Agricultural Development Fund in innovative proposals that increase net farm income and affect tobacco farmers, tobacco-impacted communities, and agriculture across the state through stimulating markets for Kentucky agricultural products, finding new ways to add value to Kentucky agricultural products, and exploring new opportunities for Kentucky farms and farm products.

UPDATE ON THE AGRICULTURAL DEVELOPMENT PROCESS

BY EXECUTIVE DIRECTOR JOHN-MARK HACK

The legislative session is rounding the final turn and headed for the home stretch in Frankfort. The next 2-3 weeks are likely to be the most important time ever for Kentucky agriculture in relation to state government. During this time, budget negotiators will be making a series of very difficult decisions in the context of the largest budget shortfall in the state's history. Chief among these decisions is whether or not to renew their commitment to the future of Kentucky agriculture by appropriating half of the state's tobacco settlement proceeds to the Agricultural Development Fund. Call your state representative and your state senator today to thank them for their past commitments and encourage them to stay the course on this long-term investment program. The agricultural development fund will increase the economic base in rural Kentucky over time and help sustain future state budgets. Please don't assume someone else will make this important call. The number to dial is 1-800-372-7181. Ask for your state representative and state senator, and help ensure this important and historic effort continues.

Model Program Administration

We will begin our formal evaluations of model county programs in the coming weeks. These evaluations will include a thorough examination of funding decisions and administrative practices on the local level. It is essential that we work together to maintain the integrity of this program to preserve public trust in our efforts to revitalize the farm economy. We look forward to working with county councils to evaluate model programs to ensure that funds are being used in the ways intended by our county councils and state agricultural development board.

County Council Member Terms

Most county council members are probably aware their first term comes to a close at the end of June 2002. Every member is eligible to continue for another term and it is our hope that all of you will choose to do so. We understand the tremendous commitment required of you in these first two years of operation. To make sure that the return on your investment of time, energy, and dollars is as high as possible, it is important that we maintain as much continuity as possible in local leadership. Please give every consideration to continuing in your role as a county council member and continue to work with us to take this program to the heights it has the potential to reach.

CALENDAR OF AGRICULTURAL MEETINGS AND EVENTS

Agricultural Development Board Meeting

Friday March 15, 2001

Brown-Forman Room of the Kentucky History Center in Frankfort at 10:00 am

*Future meetings will be on the third Friday of every month at the same location. Any changes will be announced.

The Future of Agrarianism

April 15-17, 2002

Georgetown College in Georgetown, Kentucky

Call Dr. Norman Wirzba at (502) 863-8204 for more information

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Meet Agricultural Development Board Member Willa Poynter



"I've been involved in agriculture since I was a little girl," says Willa Poynter. "I would say agriculture has made me who I am. Everyting I think of is connected to the land and to farms." Always wanting to be outdoors and involved in various activities. Willa worked with her father in the stockyards and even dehorned cows growing up. In 1965, she inherited the farm from her father and has been involved in farm management since then. She owns a crop insurance agency, grows tobacco, and raises beef cattle on her farm in Mason County.

In her attempts to diversify her farm, Willa has tried to grow peppers twice but didn't make any money. She also attempted to grow cucumbers and corn and found difficulty making those ventures succeed. Speaking about her attempts to diversify, Willa remarks, "It's very risky." At the same time, she knows how important diversification is, especially in her home area. Willa says her area has felt the decline in tobacco quotas and the loss of farm income

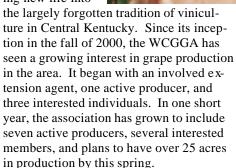
Willa hopes that each person who wants to be in-

PROJECT SPOTLIGHT: WASHINGTON COUNTY GRAPE GROWERS

BY KARA KEETON, PROJECT ANALYST/PHOTOGRAPHER

Can grapes possibly replace lost tobacco income? That is the question that the Washington County Grape Growers Association (WCGGA) has set out to answer.

The energetic group of producers is breathing new life into



To recruit, educate, and support wine grape growing in Washington County. The dedication the members have shown to this mission statement has been a key to the success of the organization. For the producers, this is not a small garden project they are undertaking, nor is their view clouded with any romantic notions of owning a vineyard. The WCGGA goal is to establish a successful grape growing industry in Washington County to help the producers offset the diminishing tobacco income on their farms.

"I've been involved in raising a lot of tobacco. If you go back to 1997, 1998, and 1999, I was raising 55-70,000 pounds depending on the year, now I'm down to about 26,000 pounds a year," said Jeff Settles, a producer in WCGGA. "I have always been open-minded to look at possible opportunities in agriculture and knowing that, our county agent Rick Greenwell in-



troduced me to the possibility of a vineyard in October of 1998." "You could net more dollars from an acre of grapes than a leased or share crop situation of tobacco," Jeff realized after extensive research. "So this is the best thing I had seen." Education about and research of the grape industry are a main focus of the organization for producers and interested me mbers. Viniculture is grape pro-

duction and comes with all the problems faced in any production: pests, weather, and disease. "We encourage any interested members to not go into this blind", stated veteran grower Bob Kasner. "Read, go out and visit vineyards, ask as many questions as you can, because if you are going to do it you need to know what you are getting into." All the farmers interviewed readily admitted that this was nothing that they expected when they initially began. "The learning curve gets a little higher everyday", said Jimmy Hatchett, a retired beef and dairy farmer who will have over three acres currently in production. Yet most producers have found this new challenge an exciting change.

"I don't care how good you do at production, if you don't have a market what do you have?" said Jeff Settles. Marketing support is a key factor in the strength and success of this project. WCGGA helps identify potential markets, researches viability of those markets, and assists the individual farm families in locating and procuring contracts for their grapes.

Coupled with the Agricultural Development Board funds that provided half of the cost of the project, their work in education and marketing has given this group a strong foundation in an established market. The project is not only for the active producers today, but also for the future of farmers and the rural economy in Washington County. That is the reason Rick Greenwell, county extension agent, states with a passion, "We are committed to this being a success."

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Phase II Compensation Formula Set

On a different but related subject, the Kentucky Tobacco Settlement Trust Corporation (Phase II) Board met on March 5 and established the compensation formula for payments to be made in December 2002. Quota owners will be paid for quota they owned in crop year 2001. The Growing Farm and Grower/Tenant payments will be based on an average of effective quota and marketing for crop years 1998, 1999, and 2000. This formula is identical to what was used for the payments made in December 2001.

PROJECTS APPROVED FOR FUNDING AT THE FEBRUARY BOARD MEETING

<u>Lawrence County Farmers Market Association</u>-\$3,730 to purchase equipment to improve the quality of vegetables

<u>Marion County Fair Board</u>- \$125,000 to construct an agricultural center for group sales of cattle, goats, and horses

<u>Breckinridge County Soil Conservation District</u>- \$163,800 to create a cost-share program for lime application

<u>Jessamine County Homemakers</u> - \$2,500 to provide an educational conference

<u>Harrison County Beef Cattle Association</u>- \$5,500 to develop a program to assist farmers in business record keeping and decision making

<u>Southern Kentucky Aquaculture Cooperative</u>- \$3,000 (Grayson County) to purchase electronic testing equipment used to monitor pond water quality standards

Nicholas County Fiscal Court-\$312,000 to administer a beef production expansion program

Shelby County Farm Bureau- \$230,000 to administer a cost-share program for hay and grain production expansion

East and West Carter County Vocational Agriculture - \$25,000 to create an educational greenhouse

Hancock County-\$8,600 to purchase a self propelled sorghum harvester

Anderson County - \$55,000 to develop a marketing facility for agricultural products

Smith-Berry and Winery - \$73,700 (State and Henry County) to establish a winery

<u>Kentucky State University Land Grant Program</u>- \$292,750 (State) to develop honeybee pollination services

<u>Kentucky State Beekeepers Association</u>- \$100,103 (State) to develop mite-resistant honeybee strains that are indigenous to Kentucky and to educate Kentucky producers

Watts Farm- \$259,910 (State) to serve as a goat demonstration and educational site

Meet Willa Poynter Continued

volved in agriculture can find their niche that will allow them to keep farming and prosper in their area. As a member of the Agricultural Development Board, Willa has tried to accomplish that. She says that if the funds were not being invested in agriculture, "It would be a disaster." She believes that the funds available for agricultural diversification give people something to look forward to and allow them a way to prepare for their future in agriculture.

As part of that preparation for the future, the board approved the Long-Term Plan for Agricultural Development in Kentucky at its January meeting and Willa says, "The board is becoming more excited about all the possibilities identified in the Long-Term Plan." She, along with her fellow board members, will continue to look at ways to implement the plan, including Governor Patton, who is, "very reasonable and very sensitive to the needs of Kentucky farmers." She is especially excited about the idea of exploring opportunities for Kentucky farmers to sell their products locally instead of bringing in products from out of state.

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WEST KENTUCKY GROWER COOPERATIVE RECEIVES ECONOMIC DEVELOPMENT AWARD

The West Kentucky Grower Cooperative, funded by the Agricultural Development Board in March 2001, was presented with the Owensboro-Daviess County Chamber of Commerce Economic Development Award at the Chamber's annual dinner on January 31. Cooperative Manager Joe Cecil accepted the award on behalf of the cooperative.

The economic development award is presented annually by the Chamber of Commerce in recognition of an individual or organization making a significant contribution to the community and the region's economic vitality. Previous winners include Fortune 500 companies and several large local businesses.

Although there may have been other or-



Joe Cecil (right) accepts the economic development award for West Kentucky Grower Coopera-

ganizations that have created more jobs or made larger investments in 2001, the West Kentucky Grower Cooperative was chosen because of the importance of agriculture to the local economy. As tobacco quotas decline, the cooperative creates market opportunities for area farmers. This venture produced millions of dollars in revenue for the local economy and presents the opportunity for future growth. Hugh

Hayden, President of the Chamber of Commerce, praised the cooperative saying, "The long-term potential is hugely significant for not just direct economic benefits it would bring to the area but for the opportunities to perpetuate our local farming culture."